

ATTN : Chief, Intelligence Information Staff, OER  
THRU : Chief, Industrial Division, OER  
Chief, Military Economics, D/I

1 August 1958

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Requirements for

Below are questions for four of the eighty-six sources listed in your memorandum of 18 July 1958. All of these questions relate to financial aspects of the Soviet military establishment. The information is needed to fill gaps in, and aid in the analysis and assessment of the results of, studies of Soviet military expenditures. The results of the aforementioned studies are contributed to National Intelligence Estimates and are used by consumers throughout the intelligence community as well as by others.

1. What items of clothing were made for the military establishment? Describe them - e.g., fabric and quality.
2. What were the prices paid by the Ministry of Defense for the respective items?
- a. How did these prices compare with the prices for counterpart civilian items? If the military received preferential prices, on what basis were the discounts determined? For example, was there forgiveness of the turnover tax, of trading margins, etc.?
- b. How did the prices vary over time?
3. What are the consumption rates for the various items of clothing? That is, what is the expected life of the various items?
4. Has the Ministry of Defense been stockpiling any clothing? If so, which items, to what extent, and when (i.e., the years)?
1. Are the rail rates charged the Ministry of Defense, when it is the shipper, the same as those charged other users with regard to the movement of both passengers and freight? If not, specify any rates known. In addition, what is the method of payment for these transportation services and who (i.e., which organization) pays the bills?

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2. Are the rail rates for goods shipped to the Ministry of Defense (or its agents), where the charges are included in the price of the item or cited as an addition to it, the same as for other consumers? Specify any rates known, if they differ. Which organization handles payment of the charges?

3. Are the rail rates for materials to be used in the production of military goods the same as when the materials are to be used for other purposes. If not, specify any known difference.

#61 1. Were any of the products of the factory sold or transferred to the Ministry of Defense? If so, did the Ministry of Defense pay the same prices as other consumers. Be specific -- e.g., indicate prices paid for individual items.

2. Were the price of products sold or transferred to factories producing military equipment different from the prices to producers of civilian consumption items? Specify.

3. What elements of cost were covered by prices? E.g., direct and indirect labor, materials, depreciation, taxes, profits. Be as specific as possible and differentiate where different pricing policies, if any, existed.

4. When the Ministry of Defense was the purchaser or consumer, which organization handled the transaction for them, which organization paid the bills, and from what source (budgetary or otherwise) did the funds for paying for these goods originate?

5. When the factory purchased materials was there even any differentiation in price because of the purpose or ultimate consumer? That is, if some material (e.g., steel) was purchased to produce a given item for a producer of civilian goods as well as to produce the same item, or a different item, for the Ministry of Defense, was the same price paid for the material?

#62 See our general requirement, sections IA. and B, for the questions we would like served on this source.

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